

**ADDITIONAL INFORMATION CONCERNING OUR FINANCIAL RESULTS  
AS OF JANUARY 31, 2004**

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## **Availability and Basis of Presentation of Operating Reports**

Interested parties may learn how to obtain complete copies of the operating reports that we file monthly with the United States Bankruptcy Court for the District of Hawaii (the “Bankruptcy Court”) by visiting the Bankruptcy Court’s website at <http://www.hib.uscourts.gov>. We also post certain information from our operating reports on our website at <http://www.HawaiianAir.com>.

The financial information included in the monthly operating reports that we file with the Bankruptcy Court is unaudited. These financial statements are prepared in accordance with American Institute of Certified Public Accountants’ Statement of Position 90-7 (“SOP 90-7”), “Financial Reporting by Entities in Reorganization Under the Bankruptcy Code,” and on a going-concern basis, which assumes continuity of operations, realization of assets and satisfaction of liabilities in the ordinary course of business. SOP 90-7 requires that the financial statements for periods subsequent to a Chapter 11 filing separate transactions and events that are directly associated with the reorganization from the ongoing operations of the business. Accordingly, all transactions (including, but not limited to, professional fees, realized gains and losses, and provisions for losses) directly associated with our reorganization and restructuring are reported separately as reorganization items in our statements of operations. The statements of financial position distinguish pre-petition liabilities subject to compromise both from those pre-petition liabilities that are not subject to compromise and from post-petition liabilities. Liabilities subject to compromise are reported at the amounts expected to be allowed by the Bankruptcy Court, even if they may be settled for lesser amounts.

As a result of our Chapter 11 filing, our ability to realize assets and liquidate liabilities is subject to uncertainty. Subject to Bankruptcy Court approval if not in the normal course of business, we may sell or otherwise dispose of assets and liquidate or settle liabilities for amounts other than those reflected in the financial statements. A plan of reorganization could materially change the amounts and classifications reported in our historical financial statements, which do not give effect to any adjustments to the carrying value of the assets or the amounts of liabilities that might be necessary as a consequence of confirmation of a plan of reorganization.

## **Lack of Information Concerning Hawaiian Holdings, Inc.**

We are a subsidiary of Hawaiian Holdings, Inc. (AMEX and PCX: HA), which holds all of our issued and outstanding equity securities. Since the appointment of a Chapter 11 trustee for the airline (as further described below under “Chapter 11 Reorganization – Status of Reorganization”), Hawaiian Holdings has had no involvement in our management and has not had complete, unrestricted access to information concerning us.

None of our officers or other employees is currently an officer or employee of Hawaiian Holdings. We have no current nonpublic information whatsoever concerning any business operations, contractual or other commitments of Hawaiian Holdings. The financial and other information provided here and elsewhere by us does not reflect any such operations or contractual or other commitments of Hawaiian Holdings.

## Where You Can Find Additional Information

You can find general information about us at <http://www.HawaiianAir.com>. Also, before the appointment of a Chapter 11 trustee for the airline (as further described below under “Chapter 11 Reorganization – Status of Reorganization”), Hawaiian Holdings had direct access to information concerning the airline. That information is reflected in its periodic reports filed with the Securities and Exchange Commission through the quarter ended March 31, 2003. Certain information included in the Hawaiian Holdings’ Annual Report on Form 10-K for the year ended December 31, 2002 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2003, which can be found on the SEC’s website at <http://www.sec.gov>, are relevant to an understanding of our current business, risk factors, and results of operations.

## Chapter 11 Reorganization

### *Status of Reorganization.*

On March 21, 2003, we filed a voluntary petition with the Bankruptcy Court to reorganize our business under Chapter 11 of the United States Bankruptcy Code. On May 16, 2003, upon a motion filed by BCC Equipment Leasing Corporation (“BCC Leasing”), the Bankruptcy Court ordered the appointment of a Chapter 11 trustee to oversee the airline. We continue to operate the airline’s business under the control of Joshua Gotbaum, as Chapter 11 trustee (the “Trustee”), under the jurisdiction of the Bankruptcy Court. All vendors are being paid for goods and services furnished post-petition in the ordinary course of business, although actions to collect most of our pre-petition liabilities (other than aircraft rentals, as further discussed below under “Liquidity and Results of Operations”) were automatically stayed by the filing of the petition. We expect that most of our pre-petition liabilities will be settled under a plan of reorganization to be approved by the Bankruptcy Court.

We must obtain the Bankruptcy Court’s confirmation of a plan of reorganization to successfully exit Chapter 11. Such reorganization plans generally include proposals for the capital structure and governance of the company, as well as for resolution of pre-petition liabilities and claims. Because a trustee has been appointed in our bankruptcy case, any party in interest may legally propose and file a plan of reorganization.

On February 11, 2004, a group consisting of BCC Leasing and Boeing Capital Corporation (together, “Boeing”) and Corporate Recovery Group, LLC filed a proposed plan of reorganization (the “Boeing Plan”) with the Bankruptcy Court. Boeing is one of our largest creditors, leasing to us three of the 14 B767 aircraft and all 11 of the B717 aircraft in our fleet, as well as two additional B717 aircraft that are no longer in our fleet. Boeing’s claim against our bankruptcy estate is potentially one of the largest claims in our bankruptcy case. (See “Liquidity and Capital Resources.”) Among other things, the Boeing Plan provides that holders of secured claims would recover 100% of the value of their claims, that unsecured creditors would recover only a portion of the value of their claims, **and that holders of our equity interests would receive nothing at all**. At this time, it is not possible to know whether or not the Boeing Plan will receive the support of other creditors or other constituencies in our bankruptcy case, or will be confirmed by the Bankruptcy Court.

Hawaiian Holdings has announced that it, too, intends to file a plan of reorganization, but as of this date has not done so. It is not possible to know the terms and conditions of that proposal, nor whether that proposal will be supported by the creditors or other parties in interest in our bankruptcy case or will be approved by the Bankruptcy Court.

The Trustee has announced that he will undertake a process to enable other interested parties to make proposals. It is possible that other parties in interest, including the Trustee, could file additional proposed plans of reorganization. There can be no assurance that any such plans will or will not be filed, what those plans might involve if filed, whether the creditors and other parties in interest in our bankruptcy case would support or oppose them, or whether they would be approved by the Bankruptcy Court.

At this time, it is not possible to predict the results of the Chapter 11 reorganization process or when we may emerge from Chapter 11. Our future prospects depend on the timely and successful confirmation and implementation of a plan of reorganization. The rights and claims of various creditors and security holders will be determined by the plan as well. At this time we can make no prediction concerning how any of our pre-petition claims will be valued in our bankruptcy proceedings, whether the Court will approve the Boeing Plan or any other plan, or what the results of any such plan would be for our creditors and equity holders. However, we note that the elimination of common equity is not an uncommon result in plans of reorganization approved under Chapter 11. For example, **when we emerged from Chapter 11 in 1994, all of our common equity was extinguished.** In the present circumstance, it is not known how creditors and equity holders will be treated in any plan of reorganization that is ultimately confirmed by the Bankruptcy Court.

#### *Effect of Reorganization on Business Operations.*

The bankruptcy process has had and may have a variety of effects on our operations. For example, our ability to enter into certain contracts that otherwise would be undertaken in the ordinary course of business is subject to review by the Official Committee of Unsecured Creditors and the approval of the Bankruptcy Court. Relations between our existing and potential suppliers, partner airlines, and customers may be affected. Our being in reorganization could affect our ability to attract and retain key employees.

#### **Results of Operations**

Despite recent improvements, the current U.S. domestic airline environment continues to be one of the worst in our history and could deteriorate further. Our revenues for the past 10 months (*i.e.*, the time since the period covered by the last Quarterly Report on Form 10-Q filed by Hawaiian Holdings when it had complete, unrestricted access to information about our business, financial condition and results of operations) were adversely affected by a variety of factors, including:

- A decline in travel after the commencement of the military conflict in Iraq and the SARS outbreak;

- A continued reduction in interisland travel, as travelers outside Hawaii increasingly chose to fly directly to the neighbor islands;
- Because our customer base is largely leisure-oriented, we did not participate in the improvement in the business travel market to as great an extent as some of our mainland competitors;
- A reduction in Civil Reserve Air Fleet flying in support of, among other things, the military conflict in Iraq; and
- Increased price sensitivity in customers' purchasing behavior.

However, revenues were positively affected by several factors, including:

- Increased travel to Hawaii;
- Increased trans-Pacific capacity;
- While our competitors increased service to Hawaii, the overall level of those increases was lower than the increase in travel to Hawaii;
- A reduction in interisland capacity as a result of a one-time federal antitrust exemption to coordinate a reduction in overcapacity in the interisland market with Aloha Airlines. This exemption expired in September 2003, although interisland capacity has not increased significantly following its expiration; and
- Increased cargo capacity in our new B767s as opposed to our old long-haul fleet of DC10s.

Our costs for the past 10 months were affected by numerous factors, including:

- Completion of our conversion to a new fleet of B767 and B717 aircraft, which affected the potential markets in which we can profitably offer competitively priced service, and which resulted in greater fuel economy and reduced maintenance and pilot costs, but also higher aircraft ownership expense;
- Negotiated changes in rental rates for the fleet (as further described below under "Liquidity and Capital Resources");
- Significant increases in per gallon fuel costs;
- Reductions in our workforce, including those resulting from the approximately 150-employee reduction announced in October 2002, voluntary leaves of absence from approximately 60 flight attendants, reduced work schedules for part-time reservations personnel and our decision to leave certain open positions unfilled until economic conditions improved;

- Changes in our collective bargaining agreements effective April 1, 2003, primarily work rule changes, which we expect will save us approximately \$15 million annually, and pursuant to which we paid profit bonuses to our employees (other than officers) who participated in our restructuring of approximately \$5.1 million based on our results in 2003 because our operating income (excluding the bonuses) exceeded certain specified targets; and
- Increased use of internet-based distribution channels, which lowers both our commission and processing costs.

## **Liquidity and Capital Resources**

We filed our Chapter 11 petition because our obligations exceeded our resources. We continue to have significant obligations, including aircraft rental and pension obligations.

The airline industry is subject to substantial cyclical volatility. Airlines frequently experience fluctuating short-term cash requirements caused by seasonal fluctuations in traffic and other factors that often deplete cash during off-peak periods, and by other factors that are not necessarily seasonal. These factors include the extent and nature of fare changes and competition from other airlines, changing levels of operations, national and international events, fuel prices and general economic conditions, including inflation. Because a substantial portion of both personal and business airline travel is discretionary, the industry tends to experience adverse financial results in general economic downturns. Accordingly, we require substantial liquidity to sustain continued operations. We have no outside credit lines and limited assets against which to finance, and therefore we fund all of our liquidity requirements using existing cash and cash generated from operations. As of January 31, 2004, we had approximately \$141 million in cash, of which approximately \$54 million was restricted, primarily as a result of holdbacks by credit card companies. We have not attempted to secure debtor-in-possession financing during our bankruptcy proceeding. Because all of our aircraft are leased and thus we have limited unencumbered assets that could be used as collateral for debtor-in-possession financing, along with other factors, there can be no assurance that we would be able to obtain such financing if we elect to seek it.

Under the bankruptcy code, actions to collect on leases of certain qualifying aircraft, aircraft engines and other aircraft-related equipment are automatically stayed for only 60 days, unless the debtor is able to extend the 60-day period by agreement with the lessor and with court approval, or the debtor agrees to perform all of its obligations and cure any defaults. Otherwise, the lessor may demand the return of the aircraft and enforce its contractual remedies. In our case, the original 60-day period ran until May 20, 2003. We have reached agreements with Ansett Worldwide Aviation Services, Inc. and International Lease Finance Corporation, who together lease us 11 B767 aircraft, on revised long-term leases that provide us with significant savings. These revised leases have been approved by the Bankruptcy Court. We also have agreed with BCC Leasing to extend the deadline to March 15, 2004 for the 11 B717s and three B767s it currently leases to us. Absent further agreement, BCC Leasing would be entitled to demand the return of those aircraft after March 15, 2004. Repossession of any or all of those aircraft could result in substantial disruptions to our operations and have a material adverse effect on our business, financial condition and results of operations. Our only alternative would be to

cure our defaults under those leases on or before March 15, 2004, which would be extremely costly. We cannot predict whether we will be able to renegotiate these leases on a permanent basis and, if so, on what terms.

We maintain several defined benefit pension plans, all of which were frozen in 1993 except the pilots' plan. The combination of 45-year low interest rates and poor stock market performance has caused many U.S. pension funds, including ours, to become underfunded, and in many cases significantly underfunded. The funding status of our pilots' pension plan was further affected by significantly increased benefits that resulted from negotiated pay increases effective in 2001, 2002 and 2003. Government funding requirements obligate us to pay, on a going-forward basis, a special funding surcharge, referred to as a "deficit reduction contribution," that generally occurs when a pension plan's funded status drops below 90%. This would require us to make significant accelerated contributions to our pension plans. Our largest plan, the pilots' pension plan, remains significantly underfunded, with an accumulated benefit obligation in excess of plan assets of approximately \$94.5 million as of December 31, 2003; the aggregate accumulated benefit obligations in excess of plan assets for all of our defined benefit pension plans totaled approximately \$114.1 as of that date. We have begun negotiations with the Air Line Pilots Association ("ALPA") in an effort to develop a satisfactory resolution to our pilots' pension plan underfunding. At this time, there can be no certainty that an agreement will be reached and if so, on what terms. In September 2003, the Bankruptcy Court authorized us to temporarily defer making a \$4.25 million contribution to this plan. A hearing on whether to make the deferral permanent has been continued several times and is now scheduled for the end of March 2004. Pursuant to agreements with ALPA, we are continuing to make other contributions for post-petition services, and benefits continue to be paid from the plan. If the pilots' retirement plan is not amended to reduce benefits, the contributions required by ERISA and our agreements with ALPA currently are expected to be significant, although reducing over time. The required contributions currently are expected to total approximately \$31.4 million during 2004 (of which approximately \$6.5 million would be due on March 31, 2004), approximately \$23.3 million during 2005, approximately \$20.3 million during 2006, and approximately \$14.9 million during 2007.

Our Chapter 11 filing affects our liquidity by, among other things, imposing the need to obtain Bankruptcy Court approval for various matters, and because trade creditors can change the terms of trade in response to our filing.

## **Outlook**

Our advance bookings for the next 30 days continue to reflect increased travel to Hawaii and decreased interisland travel. However, the value of advance bookings as a predictor of actual future travel has declined, as a trend toward later bookings has emerged.

The airline industry is both competitive and volatile, and it is impossible to predict business operations even in the near term with certainty. In addition to factors discussed elsewhere in this document, factors affecting our future prospects include:

- Mainland carriers, including low-cost carrier ATA, continue to expand service to Hawaii. If these increases in capacity exceed the increase in traffic, unit revenues may be affected;
- Our temporary authority to coordinate a reduction in overcapacity in the interisland market with Aloha Airlines expired in September 2003 and it is uncertain what form competition between the airlines will take;
- We expect that changes in our collective bargaining agreements effective April 1, 2003 will be fully reflected in our financial results for 2004, including the realization of expected cost savings and the payment of profit sharing bonuses to employees (other than officers) who participated in our restructuring if and to the extent that we have operating income exceeding certain specified targets through June 2004;
- Changes in our routes, schedules, fares or other operations in response to competitive conditions or market opportunities; and
- The timing of and conditions attending our exit from Chapter 11.

## **Risk Factors**

In addition to the risks identified elsewhere, the following are some of the more significant risks that apply to our business, results of operations and financial condition.

### *Additional Terrorist Attacks or International Hostilities Could Adversely Affect Our Results.*

The terrorist attacks of September 11, 2001 adversely affected the business, results of operation and financial condition of both us and the airline industry generally. Additional terrorist attacks, even if not made directly on the airline industry, or the fear of such attacks (including elevated national threat warnings or selective cancellation or redirection of flights due to terror threats), could negatively affect us and the airline industry as a whole. The war in Iraq last year decreased demand for air travel during the first quarter of 2003, and additional international hostilities could potentially have a material adverse impact on our financial condition, results of operations and financial condition.

### *Changes In Fuel Costs and/or Fuel Supply Materially Affect Our Operating Results.*

Aircraft fuel is a significant expense and even marginal changes can greatly affect our profitability. The price and availability of aviation fuel is unpredictable and currently is at historically high levels. Fuel costs (including taxes and oil) represented approximately 15% of our operating expenses for the year ended December 31, 2003. A one-cent per gallon change in the cost of fuel changes our operating expenses by about \$87,000 per month, based on 2003 consumption. We continued to realize savings in 2003 as a result of our introduction of more efficient B717 and B767 aircraft into our system. Currently, in an effort to reduce fuel costs, we make bulk purchases of fuel from Asia. We also purchase heating oil forward contracts from

time to time in an effort to manage market risks and hedge our financial exposure to fluctuations in fuel costs.

*Airline Revenues Are Volatile and Fixed Costs Are High.*

Airline profit levels are highly sensitive to changes in fuel costs, fare levels and passenger demand. Passenger demand and fare levels are influenced by, among other things, the state of the global economy, domestic and international events, airline capacity and pricing actions taken by carriers. Our revenues are subject to seasonal volatility due primarily to leisure and holiday traffic patterns. Traffic levels are typically weaker in the first quarter of the year and stronger periods occur during July, August and December. As a result, our operating results for an interim period are not necessarily indicative of operating results for an entire year, and historical operating results are not necessarily indicative of future operating results. As with other airlines, our revenues vary substantially in relation to fixed operating costs. Most of the cost of a flight is fixed, and does not vary with the number of passengers carried, although the revenue generated from a particular flight is directly related to the number of passengers carried. Therefore, while a decrease in the number of passengers carried would cause a corresponding decrease in revenue (if not offset by higher fares), it may result in a disproportionately greater decrease in profits. An increase in the number of passengers carried would have the opposite effect.

*Additional Security Requirements May Increase Our Costs and Decrease Our Traffic.*

Since September 11, 2001, the U.S. government has implemented numerous security measures that affect airline operations and costs, and is likely to implement additional measures in the future. A large part of the costs of these security measures is borne by the airlines and their customers. We believe that these and other security measures have the effect of increasing the hassle of both passenger and cargo transportation by air and thus decreasing traffic. Current and future security measures imposed by the U.S. and foreign governments increase our costs and may adversely affect our traffic and financial results.

The Emergency Wartime Supplemental Appropriations Act of 2003 (the "Supplemental Appropriations Act") contained a number of provisions relating to security costs. In May 2003, we received and recognized in earnings \$17.5 million in cash for reimbursement of our proportional share of passenger security and air carrier security fees paid or collected by U.S. air carriers as of the date of enactment of the legislation, together with other items. Additionally, passenger security fees were not imposed for the period June 1, 2003 to September 30, 2003. We also received reimbursement for the direct costs associated with installing strengthened flight deck doors and locks.

*We Place Significant Reliance on Third Parties.*

We rely on agreements with third parties to provide facilities and services required for our operations, including aircraft maintenance, code sharing, reservations, computer services, frequent flyer programs, passenger processing, ground facilities, baggage and cargo handling, and personnel training. Our reliance on third parties to provide important aspects of our business operations may affect our ability to operate our business effectively. In particular, the loss of one

or more of our significant travel agencies, or any effort by our significant travel agencies to favor other carriers or disfavor us, could adversely affect our revenue.

*We Must Maintain Adequate Insurance Coverage.*

We believe that our insurance coverage is adequate and consistent with current industry practice. However, we cannot assure you that the amount of our coverage will not change or that we will not suffer losses from accidents that exceed our insurance coverage. After September 11, 2001, aviation insurers significantly reduced the maximum amount of certain types of coverage, significantly increased their premiums, and canceled all war risk insurance coverage for the airline industry. Our war risk insurance coverage was subsequently reinstated to a limit of \$100 million from the independent insurers at increased premiums. We also purchased from the U.S. government third-party war risk insurance coverage above \$100 million, up to a cap of twice the previous limit. As part of the Supplemental Appropriations Act, this coverage was extended to August 2004, after which it is anticipated that the federal coverage will be extended unless insurance for war risk coverage in necessary amounts is available from independent insurers or a group insurance program is instituted by the U.S. carriers and the Department of Transportation. However, there can be no assurance that the amount of such coverage will not be changed or that we will not bear additional increased premiums or substantial losses from accidents or other events. Substantial claims in excess of related insurance coverage could have a material adverse effect on our operations and profitability. The annual cost of our aviation insurance programs has increased from approximately \$3.6 million in 2001 to approximately \$14.4 million in 2003.

*We Expect That Our Maintenance Costs Will Increase As Our Fleet Ages.*

Our new B717 and B767 aircraft require less maintenance than the older aircraft we previously used. However, we expect that maintenance costs will increase significantly as these aircraft age. As a small airline, we have a relatively small fleet. If an aircraft becomes unavailable for unscheduled maintenance, repairs or other reasons, it is more likely that no replacement aircraft will be available and that we could suffer greater financial and reputation damage than a larger carrier. Although we perform certain maintenance tasks ourselves, we have entered into a number of contracts with third-party service providers for fixed-price (or “power by the hour”) maintenance services.

*Increased Labor Costs or Labor Disruptions Could Affect Our Operations.*

As with most airlines, labor costs are a significant component of our expenses. Labor costs represented approximately 33% of our operating expenses for the year ended December 31, 2003. The majority of our employees are represented by labor unions and covered by collective bargaining agreements. Under the Railway Labor Act, which governs our relations with the labor unions, collective bargaining agreements do not expire, but instead become amendable as of a stated date. If either party wishes to modify the terms of any such agreement, it must notify the other party in the manner prescribed by the agreement. After receipt of such notice, the parties must meet for direct negotiations. If no agreement is reached, either party may request the National Mediation Board (the “NMB”) to appoint a federal mediator. If no agreement is reached in mediation, the NMB may determine, at any time, that an impasse exists. If an

impasse is declared, the NMB proffers binding arbitration to the parties. Either party may decline to submit to arbitration. If arbitration is rejected, a 30-day “cooling-off” period commences, following which the labor organization may strike and the airline may resort to “self-help”, including the imposition of any or all of its proposed amendments and the hiring of workers to replace strikers. Our collective bargaining agreement with our pilots becomes amendable as of June 30, 2004, and written notice of intended change has been exchanged by the parties. Our collective bargaining agreement with our flight attendants becomes amendable as of November 1, 2004, our collective bargaining agreement with the Transport Workers Union becomes amendable as of November 30, 2004, and our collective bargaining agreements with the International Association of Machinists and Aerospace Workers and Communications Section become amendable as of March 31, 2005. There is no assurance that agreements with our unions will be reached and, if so, on what terms. If we are unable to reach agreement with any of our unions, we may be subject to work interruptions or stoppages, which may hamper or halt operations.

### **Other Matters**

On November 28, 2003, the Trustee commenced a lawsuit in the Bankruptcy Court against our former Chief Executive Officer, John Adams, Hawaiian Holdings, and three of Mr. Adams’ affiliates, AIP LLC, Smith Management and Airline Investors Partnership, LP. The Trustee seeks recovery of damages arising from a \$25 million tender offer that occurred in June 2002, as well as other transactions that involved payments by us in excess of \$3 million. The Trustee has asserted that the transactions in question constitute fraudulent conveyances and/or preferences, and that Mr. Adams breached his fiduciary duty and violated Hawaii law in causing and authorizing us to consummate the transactions. The defendants (other than Hawaiian Holdings) filed an answer on January 5, 2004, and trial is scheduled to commence in June 2005. It is not possible to predict either the timing or the amount, if any, of any recovery that may result from this litigation.

### **Forward-Looking Statements**

Certain statements in this Additional Information Concerning our Financial Results are forward-looking and thus reflect our current expectations and beliefs as to current and future events and financial performance. These statements are subject to many risks and uncertainties relating to our operations and business environment that could cause actual results to differ materially. Factors that could significantly affect actual results include: our ability to continue as a going concern; our ability to obtain court approval of motions in our Chapter 11 proceeding from time to time; our ability to develop, prosecute, confirm and consummate a plan of reorganization in the Chapter 11 process; risks associated with third parties proposing their own plans of reorganization or seeking to convert our bankruptcy to a Chapter 7 case; our ability to maintain contracts that are critical to our operations; the potential adverse impact of our Chapter 11 filing on our liquidity or results of operations; our ability to attract, motivate and/or retain key employees; our ability to attract and retain customers; demand for transportation in the markets in which we operate; general economic conditions, including the strength of the local Hawaii economy and the economic climate in areas from which tourists to Hawaii typically originate; the popularity of Hawaii as a tourist destination; the effect of any hostilities or act of war or any other terrorist attack; the ability of other air carriers with whom we have alliances or

partnerships to provide the services contemplated by their respective arrangements; the costs and availability of aircraft insurance; the costs of aviation fuel; the costs associated with security measures and practices; labor costs; the costs of financing; competitive pressures on pricing (particularly from lower-cost competitors); weather conditions; government legislation and regulation; consumer perceptions of our products; and other risks and uncertainties discussed by us from time to time.

**Any forward-looking statements are not representations or warranties. We disclaim any intent or obligation to update or revise any forward-looking statements, whether in response to new information, unforeseen events, changed circumstances or otherwise.**